

**District Attorney of the Twenty-Sixth Judicial District
Parishes of Bossier and Webster, Louisiana**

**General Purpose Financial Statements
As of and for the Year Ended December 31, 2002**

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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

JUL 30 2003

Release Date _____

District Attorney of the Twenty-Sixth Judicial District
Parishes of Bossier and Webster, Louisiana

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Independent Auditors' Report

District Attorney of the Twenty-Sixth Judicial District
Parishes of Bossier and Webster, Louisiana

We have audited the accompanying general purpose financial statements, that do not include a statement of revenues, expenditures, and changes in fund balances—budget and actual, for the general fund and special revenue fund type of the District Attorney of the Twenty-Sixth Judicial District, a component unit of the Bossier Parish Police Jury, as of December 31, 2002 and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the District Attorney of the Twenty-Sixth Judicial District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The District Attorney of the Twenty-Sixth Judicial District declined to present a statement of revenues, expenditures, and changes in fund balances—budget and actual, for the general fund and special revenue fund type for the year ended December 31, 2002. Presentation of such statements for those governmental funds for which budgets have been legally adopted is required by accounting principles generally accepted in the United States of America.

In our opinion, except for the omission of the statement of revenues, expenditures, and changes in fund balances—budget and actual that results in an incomplete presentation as explained in the preceding paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the District Attorney of the Twenty-Sixth Judicial District, as of December 31, 2002, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 12, 2003 on our consideration of the District Attorney of the Twenty-Sixth Judicial District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an

integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as supporting schedules in the table of contents and shown on pages 17-18 is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the District Attorney of the Twenty-Sixth Judicial District. The accompanying schedule of expenditures of federal awards, shown on page 19, is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the general purpose financial statements of the District Attorney of the Twenty-Sixth Judicial District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.



Cook & Morehart
Certified Public Accountants
June 12, 2003

District Attorney of the Twenty-Sixth Judicial District
Parishes of Bossier and Webster, Louisiana
Combined Balance Sheet - All Fund Types and Account Groups
December 31, 2002

	Governmental Funds		Fiduciary Fund - Asset Forfeiture Trust Fund	Account Group - General Fixed Assets	Total (Memorandum Only)
	General	Special Revenue			
Assets					
Cash and cash equivalents	\$ 488,114	\$ 344,451	\$ 624,257	\$	\$ 1,456,822
Receivables	77,662	7,831			85,493
Due from other funds	66,782				66,782
Equipment				260,469	260,469
Total assets	\$ 632,558	\$ 352,282	\$ 624,257	\$ 260,469	\$ 1,869,566
Liabilities and Fund Equity					
Liabilities:					
Accounts payable	\$ 19,703	\$ 4,178	\$	\$	\$ 23,881
Due to other funds			66,782		66,782
Deferred revenue		28,768			28,768
Intergovernmental payable			557,475		557,475
Total liabilities	19,703	32,946	624,257		676,906
Fund equity:					
Investment in general fixed assets				260,469	260,469
Fund balances - unreserved, undesignated	612,855	319,336			932,191
Total fund equity	612,855	319,336		260,469	1,192,660
Total liabilities and fund equity	\$ 632,558	\$ 352,282	\$ 624,257	\$ 260,469	\$ 1,869,566

The accompanying notes are an integral part of this statement.

District Attorney of the Twenty-Sixth Judicial District
Parishes of Bossier and Webster, Louisiana
All Governmental Fund Types
Combined Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2002

	General	Special Revenue	Total (Memorandum Only)
Revenues:			
Commissions on fines and bond forfeitures	\$ 561,868	\$ 6,525	\$ 568,393
Fees for collection of worthless checks		101,254	101,254
Asset forfeiture revenue	8,004		8,004
Interest income	4,887	20,764	25,651
State and federal grants:			
Title IV-D reimbursement	286,326		286,326
Victims assistance program	25,000		25,000
Drug court and truancy		227,959	227,959
Total revenues	<u>886,085</u>	<u>356,502</u>	<u>1,242,587</u>
Expenditures:			
General government-judicial:			
Personal services	1,063,021	138,918	1,201,939
Travel	30,322	3,087	33,409
Office expense	55,707	22,717	78,424
Dues	16,621		16,621
Auto expense	13,193		13,193
Legal and other professional fees	7,625		7,625
Capital outlay	1,599	18,472	20,071
Appropriation Police Jury	97,997	18,500	116,497
Other expenditures	16,676	36,948	53,624
Total expenditures	<u>1,302,761</u>	<u>238,642</u>	<u>1,541,403</u>
Excess of revenues over (under) expenditures	<u>(416,676)</u>	<u>117,860</u>	<u>(298,816)</u>
Other financing sources (uses):			
Transfers in	498,408	9,626	508,034
Transfers out	(9,626)	(498,408)	(508,034)
Total other financing sources (uses):	<u>488,782</u>	<u>(488,782)</u>	
Excess of revenues and other sources over (under) expenditures and other uses	72,106	(370,922)	(298,816)
Fund balances at beginning of year	<u>540,749</u>	<u>690,258</u>	<u>1,231,007</u>
Fund balances at end of year	<u>\$ 612,855</u>	<u>\$ 319,336</u>	<u>\$ 932,191</u>

The accompanying notes are an integral part of this statement.

**District Attorney of the Twenty-Sixth Judicial District
Parishes of Bossier and Webster, Louisiana
Notes to the Financial Statements
December 31, 2002**

Introduction

As provided in the laws of the State of Louisiana, the District Attorney has charge of every criminal prosecution by the state in his district, is the representative of the state before the grand jury in his district, and is the legal advisor to the grand jury. The District Attorney also performs other duties as provided by law. The District Attorney is elected by the qualified electors of the judicial district for a term of 6 years. The Twenty-Sixth Judicial District encompasses the parishes of Bossier and Webster, Louisiana.

(1) Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying general purpose financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

The District Attorney is an independent elected official; however, the District Attorney is fiscally dependent on the Bossier Parish Police Jury. The police jury maintains and operates the parish courthouse in which the District Attorney's office is located and provides funds for equipment and furniture of the District Attorney's office. In addition, the police jury's general purpose financial statements would be incomplete or misleading without inclusion of the district attorney. For these reasons, the District Attorney was determined to be a component unit of the Bossier Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the District Attorney and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. Fund Accounting

The District Attorney uses funds and an account group to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

(Continued)

District Attorney of the Twenty-Sixth Judicial District
Parishes of Bossier and Webster, Louisiana
Notes to the Financial Statements
December 31, 2002
(Continued)

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the District Attorney are classified as governmental funds. Governmental funds account for the District Attorney's general activities, including the collection and disbursement of specific or legally restricted monies, and the acquisition of general fixed assets. Governmental funds of the District Attorney include:

Governmental Fund Types

General Fund

The General Fund was established in compliance with Louisiana Revised Statute (R.S.) 15:571.11, which provides that a certain per cent of the fines collected and bonds forfeited be transmitted to the District Attorney to defray the necessary expenditures of his office. Beginning in 1990 the District Attorney started receiving twenty (20%) percent of asset forfeiture revenue for handling the forfeiture action for the state in regards to the Special Asset Forfeiture Trust Fund, which is administered by the District Attorney. The District Attorney also includes reimbursements received from the Louisiana Department of Social Services for operation of the family and child support programs (Title IV-D Reimbursement) in the General Fund.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Included in the special revenue funds are the following:

Title IV-D Incentive Fund

The Title IV-D Incentive Fund consists of incentive payments and reimbursement grants from the Louisiana Department of Social Services, authorized by Act 117 of 1975, to establish family and child support programs compatible with Title IV-D of the Social Security Act. The incentive payments received by the District Attorney can be used at his discretion, subject to state and local laws. The purpose of the fund is to enforce the support obligation owed by absent parents to their families and children, to locate absent parents, to establish paternity, and to obtain family and child support. Reimbursements under the IV-D Incentive contract ended June, 1998.

(Continued)

District Attorney of the Twenty-Sixth Judicial District
Parishes of Bossier and Webster, Louisiana
Notes to the Financial Statements
December 31, 2002
(Continued)

Worthless Check Collection Fee Fund

The Worthless Check Collection Fee Fund consists of fees collected in accordance with Louisiana Revised Statute 16:15 which provides for a specific fee whenever the district attorney's office collects and processes a worthless check. Expenditures from this fund are at the sole discretion of the district attorney and may be used to defray the salaries and expenses of the office of the District Attorney, but may not be used to supplement the salary of the District Attorney.

Drug Court and Truancy Grant Fund

This fund consists of various state and federal grants to provide services in accordance with the grant contracts for drug court and truancy services.

Fiduciary Fund

Fiduciary Funds are used to account for assets held on behalf of outside parties, including other governments. Included in the Fiduciary Fund is the following:

Asset Forfeiture Trust Fund

A Special District Attorney Asset Forfeiture Trust Fund was established by Louisiana Revised Statute 40:2616. The office of the district attorney shall administer expenditures from the fund. All monies obtained under the specific provisions of state law relating to forfeited property shall be deposited in the fund. Money in the fund shall be distributed in the following order of priority:

- (1) For satisfaction of any bona fide security interest or lien.
- (2) Thereafter, for payment of all proper expenses of the proceedings for forfeiture and sale, including expenses of seizure, maintenance of custody, advertising and court costs.
- (3) The remaining funds shall be allocated as follows:
 - (a) Sixty percent thereof to the law enforcement agency or agencies making the seizure, such proceeds to be used in drug law enforcement, including but not limited to reward programs established by such agencies.
 - (b) Twenty percent thereof to the criminal court fund.

(Continued)

District Attorney of the Twenty-Sixth Judicial District
Parishes of Bossier and Webster, Louisiana
Notes to the Financial Statements
December 31, 2002
(Continued)

- (c) Twenty percent thereof to any District Attorney's office that employs the attorneys that handle the forfeiture action for the state. This shall be paid into the district attorney's twelve percent fund to be used for public purposes including, but not limited to use for prosecution, rewards, support and continuing legal education.

General Fixed Asset Account Group –

The General Fixed Asset Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost. No depreciation is recorded on general fixed assets.

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Commissions on fines and bond forfeitures are recorded in the year they are earned. Fees from the collection of worthless checks are recorded in the year they are collected. Grants are recorded when the District Attorney is entitled to the funds. All other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) and are recorded in the year the transfers are authorized.

(Continued)

**District Attorney of the Twenty-Sixth Judicial District
Parishes of Bossier and Webster, Louisiana
Notes to the Financial Statements
December 31, 2002
(Continued)**

E. Budget Practices

The District Attorney did not adopt budgets for the general and special revenue funds for 2002. The District Attorney does not use encumbrance accounting, and all appropriations lapse at year end.

F. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District Attorney may deposit funds in demand deposits, interest bearing demand deposits, or time deposits with state banks organized under Louisiana law, or any other state of the United States, or under the laws of the United States.

Under state law, the district attorney may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

G. Fixed Assets

Fixed assets are recorded as expenditures at the time purchased, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost. Fixed assets used in the District Attorney's office that are provided by the police jury are accounted for in the general fixed assets account group of the police jury.

H. Compensated Absences

Employees of the District Attorney's office earn from 5 to 15 days of vacation leave each year, depending on their length of service with the district attorney's office. Vacation leave cannot be accumulated. Vacation leave that is not taken during the year is forfeited. After one year of employment, employees are eligible for 10 days of sick leave each year. Unused sick leave may be accumulated to a maximum of 30 days. Employees are not paid for unused sick leave upon termination or retirement.

(Continued)

District Attorney of the Twenty-Sixth Judicial District
Parishes of Bossier and Webster, Louisiana
Notes to the Financial Statements
December 31, 2002
(Continued)

I. Total Columns on Statements

The total columns on the statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

J. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

(2) Cash and Cash Equivalents

At December 31, 2002, the District Attorney had cash and cash equivalents (book balances) totaling \$1,456,822 as follows:

Demand deposits	\$ 801,917
Time deposits	<u>654,905</u>
Total	<u>\$ 1,456,822</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. At December 31, 2002, the District Attorney had \$1,480,580 in deposits (collected bank balances). These deposits are secured from risk by \$277,353 of federal deposit insurance and \$1,203,227 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the District Attorney that the fiscal agent has failed to pay deposited funds upon demand.

(3) Pension Plan – District Attorney and Assistant District Attorneys

Plan Description. The district attorney and assistant district attorneys are members of the Louisiana District Attorneys Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

(Continued)

District Attorney of the Twenty-Sixth Judicial District
Parishes of Bossier and Webster, Louisiana
Notes to the Financial Statements
December 31, 2002
(Continued)

Assistant district attorneys who earn, as a minimum, the amount paid by the state for assistant district attorneys and are under the age of 60 at the time of original employment and all district attorneys are required to participate in the System. For members who joined the System before July 1, 1990, and who elected not to be covered by the new provisions, the following applies: Any member with 23 or more years of creditable service regardless of age may retire with a 3 percent benefit reduction for each year below age 55, provided that no reduction is applied if the member has 30 or more years of service. Any member with at least 18 years of service may retire at age 55 with a 3 percent benefit reduction for each year below age 60. In addition, any member with at least 10 years of service may retire at age 60 with a 3 percent benefit reduction for each year retiring below the age of 62. The retirement benefit is equal to 3 percent of the member's average final compensation multiplied by the number of years of his membership service, not to exceed 100% of his average final compensation.

For members who joined the System after July 1, 1990, or who elected to be covered by the new provisions the following applies: Members are eligible to receive normal retirement benefits if they are age 60 and have 10 years of service credit, are age 55 and have 24 years of service credit, or have 30 years of service credit regardless of age. The normal retirement benefit is equal to 3.5 percent of the member's final-average compensation multiplied by years of membership service. A member is eligible for early retirement if he is age 55 and has 18 years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced 3 percent for each year the member retires in advance of normal retirement age. Benefits may not exceed 100 percent of average final compensation. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana District Attorneys Retirement System, 2109 Decatur Street, New Orleans, Louisiana 70116-2091, or by calling (504) 947-5551.

Funding Policy. Plan members are required by state statute to contribute 7.0 percent of their annual covered salary and the district attorney was not required to contribute at an actuarially determined rate. The current rate is 1.25% of annual covered payroll. Contributions to the System also include .2 percent of the ad valorem taxes collected throughout the state and revenue sharing funds as appropriated by the legislature. The contribution requirements of plan members and the district attorney are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The district attorney made no contributions to the System for the years ended December 31, 2002, 2001, and 2000.

(Continued)

District Attorney of the Twenty-Sixth Judicial District
Parishes of Bossier and Webster, Louisiana
Notes to the Financial Statements
December 31, 2002
(Continued)

(4) Pension Plan – Other Employees

Substantially all employees of the District Attorney, except for the district attorney and his assistants, are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the police jury are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one percent of final-average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus 3 percent of final-average salary for each year of service credited after the revision date. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

Under Plan A, members are required by state statute to contribute 7.75 percent of their annual covered salary and the District Attorney of the Twenty-Sixth Judicial District is required to contribute at an actuarially determined rate. Contributions to the System include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the District Attorney are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The District Attorney's contributions to the System under Plan A for the year ended December 31, 2002, 2001 and 2000 were \$41,884, \$34,064 and \$24,694, respectively, and equal to the required contributions for the year.

(Continued)

District Attorney of the Twenty-Sixth Judicial District
Parishes of Bossier and Webster, Louisiana
Notes to the Financial Statements
December 31, 2002
(Continued)

(5) Receivables

The following is a summary of receivables at December 31, 2002:

	General Fund	Special Revenue
Commissions on fines and forfeitures	\$ 31,280	\$ -
State and federal grants:		
Title IV-D reimbursement	46,382	-
Drug court and truancy grants	-	7,831
Totals	<u>\$ 77,662</u>	<u>\$ 7,831</u>

(6) Changes in General Fixed Assets

A summary of changes in general fixed assets (equipment and vehicles) follows:

Balance January 1, 2002	\$ 240,398
Additions - 2002	20,071
Deductions - 2002	-
Balance December 31, 2002	<u>\$ 260,469</u>

(7) Expenditures of the District Attorney
Not Included in the Accompanying Financial Statements

The accompanying financial statements do not include certain expenditures of the District Attorney paid from criminal court funds, the parish governments, or directly by the state.

The District Attorney has offices located in the courthouses in Bossier and Webster Parish. Expenditures for operation and maintenance of the parish courthouses are paid by Bossier Parish Police Jury and Webster Parish Police Jury and are not included in the expenditures of the District Attorney. Also, certain salaries of the District Attorney and his assistants are paid out of the general fund of the Bossier Parish Police Jury and the Webster Parish Police Jury and are not included in the expenditures of the District Attorney.

(Continued)

District Attorney of the Twenty-Sixth Judicial District
Parishes of Bossier and Webster, Louisiana
Notes to the Financial Statements
December 31, 2002
(Continued)

(8) Due From-To Other Funds

Included in the general fund as due from other funds and in the fiduciary fund – asset forfeiture trust fund as due to other funds is \$66,782, which represents the District Attorney's portion of the asset forfeiture trust fund income that had not been distributed to the District Attorney as of December 31, 2002.

(9) Accounts Payable

The payables of \$23,881 at December 31, 2002, are as follows:

	General Fund	Special Revenue Fund	Total
Salaries	\$ 11,570	\$ –	\$ –
Accounts	<u>8,133</u>	<u>4,178</u>	<u>12,311</u>
	<u>\$ 19,703</u>	<u>\$ 4,178</u>	<u>\$ 23,881</u>

(10) Contingency – State of Louisiana Legislative Auditor Investigative Report

The Louisiana Legislative Auditor issued an investigative audit report dated October 24, 2002 concerning certain reimbursements received for prosecution costs, bond forfeitures, and fines from September, 1997 through February, 2002. The District Attorney has not fully implemented all recommendations within the report. No liability has been recorded in regards to that report in the accompanying financial statements.

(11) GASBS No. 34

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (Statement). Certain of the significant changes in the Statement include the following:

For the first time the financial statements will include:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the District Attorney's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the District Attorney's activities, including reporting infrastructure assets (roads, bridges, etc.), as applicable.

(Continued)

District Attorney of the Twenty-Sixth Judicial District
Parishes of Bossier and Webster, Louisiana
Notes to the Financial Statements
December 31, 2002
(Continued)

A change in the fund financial statements to focus on the *major* funds.

The general provisions of GASBS No. 34 must be implemented in the year ending December 31, 2003, to correspond with the date of implementation of the primary government, the Bossier Parish Police Jury.

(12) Risk Management

The District Attorney has commercial insurance to provide workers compensation coverage and general liability and property insurance. There were no significant reductions in insurance coverage from the previous year.

Supporting Schedules

Special Revenue Funds

District Attorney of the Twenty-Sixth Judicial District
Parishes of Bossier and Webster, Louisiana
Combining Balance Sheet
December 31, 2002

	Title IV-D Incentive	Worthless Check Collection Fee	Drug Court and Truancy Grants	Total
Assets				
Cash and cash equivalents	\$ 219,686	\$ 125,156	\$ (391)	\$ 344,451
Receivables			7,831	7,831
Total assets	<u>\$ 219,686</u>	<u>\$ 125,156</u>	<u>\$ 7,440</u>	<u>\$ 352,282</u>
Liabilities and Fund Equity				
Liabilities:				
Deferred revenue	\$	\$ 28,768	\$	\$ 28,768
Accounts payable			4,178	4,178
Total liabilities		<u>28,768</u>	<u>4,178</u>	<u>32,946</u>
Fund equity:				
Fund balances (deficit) - unreserved, undesignated	<u>219,686</u>	<u>96,388</u>	<u>3,262</u>	<u>319,336</u>
Total fund equity	<u>219,686</u>	<u>96,388</u>	<u>3,262</u>	<u>319,336</u>
Total liabilities and fund equity	<u>\$ 219,686</u>	<u>\$ 125,156</u>	<u>\$ 7,440</u>	<u>\$ 352,282</u>

District Attorney of the Twenty-Sixth Judicial District
Parishes of Bossier and Webster, Louisiana
Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2002

	Title IV-D Incentive	Worthless Check Collection Fee	Drug Court and Truancy Grants	Total
Revenues:				
Fees for collection of worthless checks	\$	\$ 101,254	\$	\$ 101,254
Interest income	19,481	1,283		20,764
State and federal grants			227,959	227,959
Commissions on fines and bond forfeitures			6,525	6,525
Total revenues	19,481	102,537	234,484	356,502
Expenditures:				
Personnel			138,918	138,918
Travel		490	2,597	3,087
Office expense		3,321	19,396	22,717
Capital outlay		18,472		18,472
Appropriation Police Jury		18,500		18,500
Other			36,948	36,948
Total expenditures		40,783	197,859	238,642
Excess of revenues over (under) expenditures	19,481	61,754	36,625	117,860
Other financing sources (uses):				
Transfer in		9,626		9,626
Transfers out	(352,808)	(145,600)		(498,408)
Total other financing sources (uses):	(352,808)	(135,974)		(488,782)
Excess of revenues and other sources over (under) expenditures and other uses	(333,327)	(74,220)	36,625	(370,922)
Fund balances (deficit) at beginning of year	553,013	170,608	(33,363)	690,258
Fund balances (deficit) at end of year	\$ 219,686	\$ 96,388	\$ 3,262	\$ 319,336

District Attorney of the Twenty-Sixth Judicial District
Parishes of Bossier and Webster, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2002

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
<u>U.S. Department of Justice</u>			
Passed through Louisiana Commission on Law Enforcement			
Truancy Prevention Program	16.548	Bossier	\$ 35,859
Teen Court	16.540	J02-1-005 & J01-1-005	32,892
Total U.S. Department of Justice			<u>68,751</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through State of Louisiana, Department of Social Services,			
Office of Family Support			
Child Support Enforcement	93.563	569545	188,975
TASC Assistance Program (TASC-AP)	93.558	Bossier	159,208
Total U.S. Department of Health and Human Services			<u>348,183</u>
Total Federal Expenditures			<u>\$ 416,934</u>

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Report on Compliance and on Internal Control Over Financial
Reporting Based on an Audit of Financial Statements
Performed In Accordance With *Governmental Auditing Standards*

District Attorney of the Twenty-Sixth Judicial District
Parishes of Bossier and Webster, Louisiana

We have audited the general purpose financial statements of District Attorney of the Twenty-Sixth Judicial District as of December 31, 2002 and the year then ended, and have issued our report thereon dated June 12, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether District Attorney of the Twenty-Sixth Judicial District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and questioned costs as items 2002-B1 and 2002-B2 .

Internal Control Over Financial Reporting

In planning and performing our audit, we considered District Attorney of the Twenty-Sixth Judicial District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script, appearing to read "Cook & Morehart", with a long horizontal flourish extending to the right.

Cook & Morehart
Certified Public Accountants
June 12, 2003

COOK & MOREHART

Certified Public Accountants

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Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance In Accordance with OMB Circular A-133

District Attorney of the Twenty-Sixth Judicial District
Parishes of Bossier and Webster, Louisiana

Compliance

We have audited the compliance of District Attorney of the Twenty-Sixth Judicial District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2002. District Attorney of the Twenty-Sixth Judicial District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of District Attorney of the Twenty-Sixth Judicial District's management. Our responsibility is to express an opinion on District Attorney of the Twenty-Sixth Judicial District's compliance based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on test basis, evidence about District Attorney of the Twenty-Sixth Judicial District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on District Attorney of the Twenty-Sixth Judicial District's compliance with those requirements.

In our opinion, District Attorney of the Twenty-Sixth Judicial District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2002.

Internal Control Over Compliance

The management of District Attorney of the Twenty-Sixth Judicial District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered District Attorney of the Twenty-Sixth Judicial

District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.



Cook & Morehart
Certified Public Accountants
June 12, 2003

**District Attorney of the Twenty-Sixth Judicial District
Parishes of Bossier and Webster, Louisiana
Summary of Schedule of Prior Audit Findings
December 31, 2002**

There were three findings in the audit for the two years ended December 31, 2001 and 2000.

2001-1

Reference No.: 2001-1

Description of Finding: The District Attorney did not adopt a budget for all of the Special Revenue Funds for the years ended December 31, 2000 and 2001, as required by the Louisiana Local Government Budget Act.

Corrective Action Planned: Based on your findings in the above referenced matter, the Office of the District Attorney will budget special funds in the future.

Current Status: See repeat finding 2002-B1 in current audit.

Reference No.: 2001-2

Description of Finding: The District Attorney has not updated the fixed asset records since 1999, in accordance with the Louisiana Asset Management Law.

Corrective Action Planned: Based on you findings in the above referenced matter, the Office of the District Attorney will update it's fixed asset records.

Current Status: See repeat finding 2002-B2 in current audit.

Reference No: 2001-3

Description of Finding: The District Attorney did not have its deposits adequately secured at December 31, 2001 through federal deposit insurance or the pledge of securities. The total unsecured bank balances as of December 31, 2001 was \$104,798.

Corrective Action Planned: Based on your findings in the above referenced matter, the Office of the District Attorney will contact all it's financial banking associates to make sure all public funds are collateralized.

Current Status: Deposits were adequately secured at December 31, 2002.

District Attorney of the Twenty-Sixth Judicial District
Parishes of Bossier and Webster, Louisiana
Schedule of Finding and Questioned Costs
December 31, 2002

A. Summary of Audit Results

1. The auditor's report expresses a qualified opinion on the financial statements of District Attorney of the Twenty-Sixth Judicial District.
2. No reportable conditions are reported in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. Two instances of noncompliance material to the financial statements of the District Attorney of the Twenty-Sixth Judicial District were disclosed during the audit.
4. No reportable conditions are reported in the Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for the District Attorney of Twenty-Sixth Judicial District expresses an unqualified opinion.
6. There are no audit findings relative to the major federal award programs for District Attorney of the Twenty-Sixth Judicial District reported in Part C. of this Schedule.
7. The program tested as a major program included: 1) Child Support Enforcement, CFDA #93.563, and 2) Teen Court, CFDA #16.540.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. District Attorney of the Twenty-Sixth Judicial District does not qualify as a low-risk auditee.

(Continued)

District Attorney of the Twenty-Sixth Judicial District
Parishes of Bossier and Webster, Louisiana
Schedule of Finding and Questioned Costs
December 31, 2002
(Continued)

B. Findings – Financial Statements Audit

2002-B1

Condition: District Attorney of the Twenty-Sixth Judicial District did not adopt a budget for the general and special revenue funds for the year ended December 31, 2002.

Criteria: The Louisiana Local Government Budget Act requires a budget be adopted for the general and special revenue funds.

Recommendation: We recommend that the District Attorney of the Twenty-Sixth Judicial District adopt budgets in accordance with the Louisiana Local Government Budget Act.

Management Response: The current Administration will adopt the appropriate budgets in the future.

2002-B2

Condition: The District Attorney of the Twenty-Sixth Judicial District has not updated the fixed asset records since 1999 for the Bossier Parish Offices.

Criteria: The Louisiana Asset Management Law requires local governments to maintain fixed asset records.

Recommendation: We recommend that the District Attorney of the Twenty-Sixth Judicial District maintain fixed asset records in accordance with the Louisiana Asset Management Law.

Management Response: The current Administration will compile and maintain a record of fixed assets.

C. Findings and Questioned Costs – Major Federal Award Programs Audit: None

**District Attorney of the Twenty-Sixth Judicial District
Parishes of Bossier and Webster, Louisiana
Summary Schedule of Audit Findings
For the Year Ended December 31, 2002**

Corrective Action Plan For Current Year Audit Findings

There were two findings in the current year audit, listed as 2002-B1 and 2002-B2, in the accompanying schedule of findings and questioned costs. There were no management letter comments for the current audit for the year ended December 31, 2002.